

FY 2011-12 MID-YEAR FORMAL BUDGET REQUEST
RECOMMENDED FOR APPROVAL
(\$ In Thousands)

Attachment 3

FY 2011-12									
FY 2012-13									
Branch / Exec	Division	FBR Title	FBR Summary	One-time \$	On-going \$ (6 Mo.)	One-time \$	On-going \$ (12 Mo.)	Perm PY	Financial Office Recommendation
Administrative Budget									
BPPP A. Boynton	Retirement Research and Planning	RRPD Phase Two Implementation	Positions and funding requested to allow the new RRPD to develop the Board directed "Innovation and Thought Leadership" function for the retirement program.	-	308	-	616	6.0	Approval - 6.0 positions and associated funding: The development of RRPD is needed to provide direction to the retirement program by developing policy positions on current and emerging issues. 1.0 Blanket position already established for this purpose should be eliminated.
BPPP A. Boynton	Center for Innovation	Establish Health Innovations Section	Positions with funding, and \$1.5M in ongoing external consultant funding requested to develop the Board directed "Innovation and Thought Leadership" function for the health program, as well as achieve an on-going annual savings of \$115.7M per SB 80 Trailer Bill Language.	-	969	-	1,938	4.0	Approval - 4.0 positions, associated funding, and C&P funding: CFI will be responsible for testing new concepts in the health field, and develop innovative ways to increase health care efficiency, quality, access, transparency, and affordability.
BPPP A. Boynton	Health Plan Administration	Health Plan Appeals, and PPO/PBM Contracts	Positions and funding needed to adhere to new federal appeals processing requirements.	-	141	-	281	3.0	Approval - 3.0 positions and associated funding: Recent amendments to the Patient Protection and Affordable Care Act, 45 CFR Part 147 and Department of Labor, 29 CFR 2560 (Regulations), require member health appeals to have a specific timeline for resolution. Currently, 80 percent of CalPERS' health appeals do not meet the new timelines.
CSS D. Lum	California Employers' Retiree Benefit Trust	Establish SSM III Position	Position and funding requested to convert one blanket position to permanent. The CERBT workload is ongoing.	-	-	-	130	1.0	Approval - 1.0 position and associated funding: The CERBT Program continues to grow, therefore it is necessary to have the program manager in a permanent position.
CSS D. Lum	Customer Service and Outreach	my CalPERS Readiness Support	Positions and funding requested to convert 6.0 PERT blankets to permanent positions to transition the ongoing workload from PERT to CSOD.	-	303	-	606	6.0	Approval - 6.0 positions and associated funding: Recommend converting 6.0 blanket positions to permanent, and the associated funding, in order to effectively manage the my CalPERS education effort. These positions will provide ongoing employer education, training, and support for the system changes pre-Pension System Resumption (PSR) and post-PSR implementation.
Gen. Cnsl P. Mixon	Office of Audit Services	Board Financial Statement Auditor	Funding requested to meet the requirements of CA Gov't Code § 20228 which mandates the Board employ a certified public accountant (CPA) to audit CalPERS' financial statements.	49	-	19	-	0.0	Approval - C&P funding: On 08/17/11 Macias, Gini & O'Connell were approved by the Board to fulfill the mandated audit capacity from FY 2011-12 through FY 2015-16. Baseline funding for this contract exists in the Board budget. However, the cost for this service will increase a total of \$215K over the next five years.
INVO J. Dear	Investment Office	AREIS Maintenance and Operations	Positions and funding requested to support ongoing maintenance, operations, enhancements and modifications for the Automated Real Estate Investment System (AREIS).	-	107	-	214	2.0	Approval - 2.0 positions and associated funding: Consultants have been supporting AREIS for two years. Dependency on consultants is hindering INVO from gaining system knowledge of AREIS. The addition of 2.0 positions will enable the transfer of knowledge, eliminate the need for consultants for AREIS, and provide a cost savings. (The AREIS contract is paid out of Investment Budget.)

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INVO J. Dear	Investment Office	Resource Request for Infrastructure Program	Positions and funding requested to enable the Infrastructure Program to execute its core investment strategies, and move forward with the Board mandated Policy Allocation Target.	-	160	-	320	2.0	Approval - 2.0 positions and associated funding: Current staffing resources are insufficient for monitoring investments and managing challenged assets. The Portfolio Manager will provide asset management expertise and leadership for the Infrastructure Program. The Executive Secretary resource is required to provide necessary administrative support for the group.
INVO J. Dear	Investment Office	Resource Request for PARO Unit	Position and funding requested to assist with multiple total fund initiatives and to provide management for the unit.	-	51	-	102	1.0	Approval - 1.0 position and associated funding: The position requested is critical to INVO's Roadmap Initiative, as it relieves the role and duties from the PARO Portfolio Manager, allowing the manager to concentrate on the main function in handling REU Portfolio management and strategic issues.
TOTAL ADMINISTRATIVE BUDGET - FBR REQUESTS AND RECOMMENDATIONS FOR APPROVAL				\$49	\$2,039	\$19	\$4,207	25.0	
				\$2,088		\$4,226			